

THE STATE HORSE RACING COMMISSION MEETING MINUTES

JUNE 27, 2023

A public business meeting of The State Horse Racing Commission was held at the following date, place and time: In-Person PDA Room 309 and Via Telephonic Conference Call on Tuesday, June 27, 2023, at 1:00 P.M.

Commissioners in attendance: Chairman Redding, Darryl Breniser, Russell Jones, Ed Rogers, Michele Ruddy, Dr. Corinne Sweeney, Thomas Ellis, also joining on Teams were Commissioners Robert Lark, Dr John Egloff and Salvatore DeBunda. Also present was Commission Counsel Jorge Augusto, Standardbred Bureau Director Anthony Salerno, and Thoroughbred Bureau Director Thomas Chuckas.

ANNOUNCEMENTS

A quorum of the Commission being present, Chairman Redding called the meeting to order. Chairman Redding noted that the meeting was properly advertised in accordance with the Sunshine Law. By way of notice, the Commission conducted an executive session to engage in quasi-judicial deliberation to be adjudicated at the public meeting and engaged in attorney client privilege communication.

Chairman Redding welcomed everyone to the meeting.

PUBLIC MEETING

1.) Motion to table the MAY 30, 2023, MEETING MINUTES:

Motion By: Commissioner Ellis
Second By: Commissioner Lark
Decision: Tabled by unanimous vote.

PRESENTATIONS

2.) Racing Fund May Financial Report – Presented by Tracee Gotwalt. Ms. Gotwalt provided a detailed financial analysis of the State Racing Fund. May 31 showed a beginning cash balance of \$6.6 million. Revenue for the month was \$1.66 million, expenditures were \$2.1 million, leaving a cash balance on May 31 of \$6.17 million. The Commission revenues for the month were \$878k. Personnel expenditures were \$401k and Operating expenditures were \$90k bringing the total expenditures to \$491k. Shifting to Testing, revenue for Testing was \$780,000. Operating costs were approximately \$934k and Personnel costs were \$332k bringing total expenditures to \$1.26 million.

The Promotions account showed no revenue for the month and expenditures of \$370,000.

In reviewing the Comparative Year-to-Year statement, revenue this year is at \$18.6 million compared to \$18.3 million in 2022. Expenditures total \$18.2 million this fiscal year as the end of May versus \$15.87 million last fiscal year. The Remaining financial statements represent the activities in racing's other 3 Restricted Accounts.

3.) HISA/HIWU Status Report – Presented by Thoroughbred Bureau Director Tom Chuckas. Mr. Chuckas reported the I.G.A agreement was approved and signed by OGC and the AG’s office. The Lab Services Agreement is working its way through the process. The Bureau Director advised that the HISA/HIWU operation continues to be a work in progress. The PA Commission staff has been instrumental in resolving issues and challenges. Mr. Chuckas provides a status report on the HISA/HIWU legal procedures and litigation.

ADMINISTRATIVE ACTIONS

4.) Motion to approve Simulcast Calendars for July 2023, for Harrah’s Philadelphia, Mohegan Sun at Pocono Downs, and the Meadows.

Motion By: Commissioner Rogers
Second By: Commissioner Breniser
Decision: Passed by unanimous vote

5.) Motion to approve the Simulcast Calendars for July 2023 for PARX, Penn National and Presque Isle Downs.

Motion By: Commissioner Jones
Second By: Commissioner Sweeney
Decision: Passed by unanimous vote

6.) Motion to Ratify the Standardbred Bureau Director’s approval for the Meadows to conduct a Cross Breed Pick Four on Friday evenings, July 14, 2023, through August 25, 2023. The 1st & 3rd legs would be races conducted at Penn National and the 2nd & 4th legs from the Meadows.

Motion By: Commissioner Lark
Second By: Commissioner Ruddy
Decision: Passed by unanimous vote

7.) Motion to ratify the Standardbred Bureau Director’s approval for the Meadows to conduct a Pick 8 with a mandatory payout on Adios Day.

Motion By: Commissioner Sweeney
Second By: Commissioner Ellis
Decision: Passed by unanimous vote

8.) Motion to ratify the Standardbred Bureau Director’s approval for Pocono Downs to move the following previously approve Live race days:

- **Wednesday, September 13, 2023, will move to September 6, 2023.**
- **Monday, September 18, 2023, will move to November 1, 2023 (which will extend the meet by one (1) day of Racing.)**

Motion By: Commissioner Sweeney
Second By: Commissioner Ellis
Decision: Passed by unanimous vote.

ADJUDICATION

9.) Ray R. Baynes, (Appeal of Ruling No. 22042CD) Docket No. RACINGCD-2022-NM-15

Based on the Commission's regulations and the proposed adjudication, Attorney Augusto proffered the following order for approval:

And now, this 27th day of June 2023, upon consideration of the transcript and exhibits of record, and upon further consideration that Ray R. Baynes failed to appear for his duly scheduled hearing without any cause shown, it is hereby ORDERED that Mr. Baynes' appeal in this matter shall be DISMISSED with prejudice and upon default and that ruling number 22042CD issued by the Board of Judges dated August 2, 2022, shall be AFFIRMED.

Consistent with Ruling No. 22042CD, Ray R. Baynes is hereby fined \$1000 and his driving license his suspended for a full 30 days commencing July 1, 2023, and continuing through July 30, 2023.

Motion By: Commissioner Rogers
Second By: Commissioner Ellis
Decision: Passed by unanimous vote

INDUSTRY REPORTS

10.) General Reports

Director Salerno recognized the following Industry participants:

- Scott Lishia, Director of Racing at the Meadows, had no report this month.
- Mike Zullinger, Director of Racing Mohegan Sun Pocono Downs, reported that handle for this year was up about 12 percent over the same time last year. Pocono Downs is looking forward to the Summer of Fun kicking off this Saturday with camel and ostrich races, along with food trucks on the apron. There will be a ceremony to honor Marley's Mission and the PA Wounded Warriors. Pocono Downs is also busy preparing for Sun Stakes Day on August 19, 2023 and I would like to invite everyone to attend this special day of racing.
- Barry Brown, Director of Racing Harrah's Philadelphia, reported that Harrah's had a strong Father's Day event. It has always been one of Harrah's best days of the racing season for on-track crowd, and this year proved no different. Harrah's is looking forward to Sires Stakes action kicking into high gear over the next couple of months.
- Joe Wilson, Director of Racing for Parx, reported that Belmont Day brought out a nice crowd and everyone seemed to have a great time. This year Parx

brought back live racing on Father's Day which also turned out to be a great event with a great crowd. Looking forward to the summer racing season.

- Eric Johnston, Director of Racing for Penn National, reported that Penn Mile Day set a new handle record of \$4.5 million. He appreciated the Commission approving the crossbreed pick-four wager. Penn is looking forward to July 7th, when Penn national will be hosting the camel and ostrich races which always draw a great crowd. Penn National will have numerous food trucks on the grounds and will have a lot of people experiencing horse racing for the first time.
- Mike Harant, Executive Director PHHA, had no report this month.
- Jeff Matty, Executive Director PTHA, reported that the PTHA held their owner's appreciation day on Father's Day and had a great turnout. Mr. Matty thanked Commissioner Ellis for attending the event. Mr. Matty reported that the first post-race positive at Parx was called since HISA and HIWU took control of the testing program. The trainer has retained counsel. The PTHA is monitoring the situation to see what steps the PTHA will be taking moving forward. He also thanked Joe Wilson and his management team for all their help and cooperation to make owner appreciation day such a great success.
- Kim Hankins, Executive Director of MSOA, had no report this month.
- Matt Ennis, Director of Racing, Presque Isle, reported that through the first 19 days of the meet their export handle was up 28 percent or \$2.9 million, on site handle was up 17 percent and attendance was up 47 percent. We are very happy with the start of our meet.
- Todd Mostoller, Executive Director of HBPA, had no report this month.
- Mike Simpson, Standardbred Breeders, had no report this month.
- Brian Sanfratello, President of the PHBA reported that slot revenue transfers are up \$245,000 year to date. Brian mentioned that the Belmont and Jaipur Stakes had two great PA Breds, "Angel of Empire" in the Belmont who finished fourth. "Caravel" won the Jaipur Stakes. Congratulations to breeder Elizabeth Merryman.

PUBLIC COMMENT

Mr. George Albright thoroughbred owner, trainer, and breeder in Pennsylvania asked the commission to consider a modification to the "5 start rule" that was part of the new safety initiatives undertaken by the Commission. Mr. Albright's concerns were with stables that race mainly young green horses. He is asking for consideration that 2-year-olds are just learning how to race, and some pick it up and improve quickly and others need more starts. He is seeking an expansion of the 5 start rule for 2-year-olds. He commented that he understands the need for a 5 start rule for older horses. He thanked the Commission for the opportunity to be heard.

Chairman Redding thanked him for his comments and advised him that the Commission would take your input today under advice.

ANNOUNCEMENTS

Chairperson Redding announced that the next meeting will be held on Tuesday, July 25, 2023, at 1:00 pm. The Meeting location will be Room 309 and on Teams.

- Executive Session 11:00 a.m.
- Regular Session 1:00 P.M.

ADJOURNMENT

MOTION BY: Commissioner Ellis

SECOND BY: Commissioner rogers

DECISION: Passed by Unanimous vote

The meeting was adjourned at 1:37 P.M.

Respectfully submitted,

Thomas F. Chuckas Jr.
Bureau Director
Bureau of Thoroughbred Horse Racing

Anthony Salerno
Bureau Director
Bureau of Standardbred Racing